Property Assessed Clean Energy Act Summary[1]

New tools are needed to enable local governments in Michigan to more effectively improve the energy efficiency of existing buildings. In 2007, $24 billion left the state of Michigan to pay for energy resources such as coal, oil, natural gas, and uranium[2]. Even a modest one percent increase in energy efficiency would **keep $240 million in the Michigan economy annually, create thousands of jobs for Michigan workers and keep money in the pockets of our residents and businesses**. By enabling local governments to help make improvements in private properties, the Property Assessed Clean Energy (PACE) Act gives local governments the tool they need to increase economic development, reduce greenhouse gas emissions and reduce our dependence on non-local energy resources.

The PACE Act enables local governments to **provide low-cost financing to property owners who wish to make permanent energy efficiency or renewable energy improvements** to their home or business property. **Loans made by the local government provide the up-front capital to property owners and are repaid through a special assessment on the individual property parcel**. Non-participating property owners will not pay higher taxes or be otherwise impacted.

- This legislation enables a **voluntary program**—no local government is required to begin or maintain such a program and no resident is required to participate.
- **18 states permit PACE financing**: 14 of these passed legislation in 2009, two passed legislation in 2008, and two had existing authority[3].
- This legislation **creates the potential for $350 million in annual clean energy investment**, which the U.S. Department of Energy estimates will create or retain over 3,800 jobs[4].
- PACE is an **important addition and complement** to utility-based energy efficiency and renewable energy programs and the Michigan Saves energy financing program.

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[1] Summary prepared by the Ann Arbor Energy Office: www.a2gov.org/energy and energy@a2gov.org

[2] Source: American Council for an Energy Efficient Economy

[3] http://www.dsireusa.org/incentives/index.cfm?searchtype=PTFAuth (The 18 states are: California, Colorado, Florida, Hawaii, Illinois, Louisiana, Maryland, Nevada, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Texas, Vermont, Virginia, and Wisconsin.)

[4] Based on Recovery Act guidance that $92,000 of direct investment creates or retains one job.